

173318



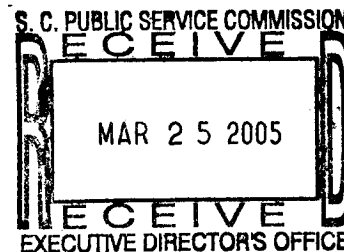
Judith A. Riley, J.D.

2912 Lakeside Drive, Suite 100
Oklahoma City, OK 73120

March 24, 2005

Overnight Delivery

South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210



Re: Joint Application of Matrix Telecom, Inc. and Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemangement, Inc. for Expedited Approval of the Transfer of Certain Assets and a Waiver of Applicable Anti-Slamming Regulations

Enclosed please find an original and five (5) copies of the above described Application.

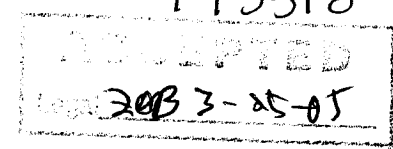
JAR Please acknowledge receipt of this filing by file stamping the extra copy of the first page of the Application and returning it in the self-addressed stamped envelope provided for this purpose.

If you have any questions or need anything further, please contact me.

Sincerely,

Judith A. Riley
Counsel to Matrix Telecom, Inc.

Enclosures



**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH CAROLINA**

Joint Application of)
)
Matrix Telecom, Inc. and)
)
Global Crossing Telecommunications, Inc.,)
Global Crossing Local Services, Inc. and)
Global Crossing Telemanagement, Inc.)
)
for Expedited Approval of the Transfer)
of Certain Assets and a Waiver of)
Applicable Anti-Slamming Regulations.)

Docket No. 2005-75-C

JOINT APPLICATION

Matrix Telecom, Inc., (hereinafter referred to as "Matrix" or "Buyer") and Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc. (hereinafter referred to as "GC" or "Seller") (together the "Applicants"), by their undersigned counsel, pursuant to §58-9-310 of the South Carolina Code of Laws, hereby request approval of the proposed transfer of certain assets held by Seller to Buyer and a waiver of applicable anti-slamming regulations, to the extent required.

In support of this Application, Applicants state the following:

I. PARTIES.

A. Matrix Telecom, Inc.

Matrix is a corporation organized under the laws of the State of Texas with its principal offices located at 300 N. Meridian, Oklahoma City, OK 73107. Matrix provides domestic and international long distance services to business and residential customers throughout the continental United States. Matrix is authorized to provide intrastate inter-

exchange telecommunications services in South Carolina.¹ Matrix has filed its Application For Authority to provide local telecommunications services in South Carolina. This Application is currently pending with the Commission.

Matrix's Certificate of Good Standing in the State of South Carolina is attached hereto as Attachment A.

B. Global Crossing

Global Crossing Telecommunications, Inc. is a corporation organized under the laws of the State of South Carolina with its principal offices located at 1080 Pittsford-Victor Road, Pittsford, New York 14534. Global Crossing Telecommunications is a long-distance carrier that provides voice and data services to business customers throughout the United States, including South Carolina.² Global Crossing Local Services, Inc. is a corporation organized and existing under the laws of the State of Delaware. Global Crossing Local Services provides facilities-based competitive local exchange services in various locations throughout the United States, including South Carolina.³ Global Crossing Telemanagement, Inc. is a corporation organized and existing under the laws of the State of Wisconsin. Global Crossing Telemanagement provides resale-based competitive local exchange services in various locations throughout the United States, including South Carolina.⁴

II. DESCRIPTION OF THE TRANSACTION

On March 19, 2005, GC and Matrix entered into an Asset Purchase Agreement (hereinafter referred to as "Agreement"). Pursuant to the terms and subject to the conditions of the Agreement, Matrix will purchase from GC certain assets and assume certain liabilities relating to GC's Small Business Group, which provides voice and data products to small and medium sized business enterprises throughout the United States. Upon consummation of the transactions contemplated in the Agreement, Matrix will serve the Small Business Group customer base, and GC will continue to provide service to those customers not previously served by its Small Business Group. GC will retain its authority to provide telecommunications

1	December 19, 1990	1990-517-C
2	August 30, 1991	91-355-C
3	November 17, 1999	1999-329-C
4	December 13, 1999	97-445-C

services in South Carolina in order to continue to serve these customers.⁵

III. PUBLIC INTEREST

Grant of the proposed transaction will serve the public interest. There will be no change to the rates, terms or conditions of service to the Small Business Group customers as a result of the transaction. Moreover, consummation of the proposed transaction will serve the public interest in promoting competition in the intrastate inter-exchange and local telecommunications market by providing Matrix the opportunity to strengthen its competitive position by combining GC's Small Business Group customer base with Matrix's current services, products and expertise. The proposed transaction also will free GC's resources to focus on its core global information services customers and invigorate its service to these customers. Moreover, approval of the transfer will permit Matrix to realize significant economic and marketing efficiencies which will enhance its ability to continue providing high quality, low cost telecommunications services and to compete more effectively in the telecommunications market. Matrix's operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, the proposed acquisition will benefit consumers through improved services and lower rates, thereby promoting competition in the telecommunications market. The market for voice and data services is becoming increasingly competitive in nature and such competition benefits consumers

Therefore, grant of the proposed transaction is in the public interest.

IV. REQUEST FOR EXPEDITED APPROVAL AND OF A WAIVER OF APPLICABLE ANTI-SLAMMING REGULATIONS.

Applicants request that the Commission process this Application on an expedited basis. Expedition is warranted so that the Applicants may transfer the GC Small Business Group customer base to Matrix with a minimum of disruption and confusion. Expedited treatment will reduce consumer uncertainty as to the timing of the transaction and will permit the parties to arrange an orderly and seamless transition of the customers from GC to Matrix.

⁵ See, *supra*, notes 2-4 (citing GC's authority to provide services).

The Applicants hereto intend to provide at least 30 days' advance subscriber notice of the transfer to Matrix. Attached hereto as Attachment B is a copy of the Notice that will be sent to all subscribers. The letter attempts to take into account all relevant state and federal notification and consent requirements applicable to this transaction. However, out of an abundance of caution, the Applicants hereby request a waiver from any applicable anti-slamming regulations that may nevertheless be violated by this transfer being made without the specific authorization and verification of each subscriber affected, to the extent necessary. As stated above, this transaction will affect only sophisticated business customers with whom GC has individual contracts; no residential customers will be affected. Each of the Small Business Group subscribers will receive the requisite advance notice and will see no change in rates, terms or conditions of service from those currently in effect. The proposed transaction will be seamless and virtually transparent to said subscribers. Therefore, the public interest would be served by Commission grant of expedited approval of this Application and, to the extent required, waiver of anti-slamming regulations applicable to the transaction.

V. CONTACT INFORMATION.

The Applicants herein provide the following contact information for questions, notices, pleadings and other communications concerning this Application:

Judith A. Riley, Esq.
Telecom Professionals, Inc.
2912 Lakeside Drive
Oklahoma City, OK 73120
Telephone: (405) 755-8177
Facsimile: (405) 755-8377
email: jriley@telecompliance.net

Counsel to Matrix Telecom, Inc.

and

Michael J. Shortley, III
Global Crossing North America, Inc.
1080 Pittsford-Victor Road
Pittsford, New York 14534
Telephone: (585) 255-1429
Facsimile: (585) 381-6781
email: michael.shortley@globalcrossing.com

with a copy to:

Teresa D. Baer
Jeffrey A. Marks
Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004-1304
Telephone: (202) 637-2200
Facsimile: (202) 637-2201
email: teresa.baer@lw.com
jeffrey.marks@lw.com

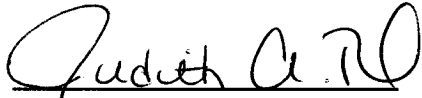
Counsel to Global Crossing Telecommunications, Inc., Global Crossing
Local Services, Inc. and Global Crossing Telemanagement, Inc.

VI. CONCLUSION.

For the reasons stated herein, the Applicants request expedited approval of the transfer of assets and waiver of anti-slamming regulations as described herein, to permit the Applicants to consummate this transfer as soon as possible.

Dated this 24th day of March, 2005.

Respectfully Submitted,



Judith A. Riley, Esq.
Telecom Professionals, Inc.
2912 Lakeside Drive
Oklahoma City, OK 73120
Telephone-(405) 755-8177
Facsimile-(405) 755-8377
email-jriley@telecompliance.net

Counsel to Matrix Telecom, Inc.



Teresa D. Baer
Jeffrey A. Marks
Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004-1304
Telephone: (202) 637-2200
Facsimile: (202) 637-2201
email: teresa.baer@lw.com
jeffrey.marks@lw.com

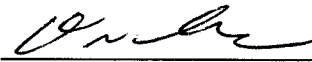
Counsel to Global Crossing Telecommunications,
Inc., Global Crossing Local Services, Inc. and
Global Crossing Telemanagement, Inc.

VERIFICATION

STATE OF OKLAHOMA)
) **SS**
COUNTY OF OKLAHOMA)

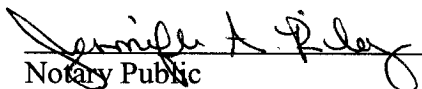
I, Dennis E. Smith, hereby declare under penalty of perjury, that I am the President of Matrix Telecom, Inc., (ABuyer@); that I am authorized to make this verification on behalf of Buyer; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this 22 day of March, 2005.



Dennis E. Smith
President
Matrix Telecom, Inc.

Sworn to and subscribed before me this 22 day of Mar, 2005.



Notary Public

My Commission expires:

11.9.08

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF MONROE)

SS

I, Michael J. Shortley, III, hereby declare under penalty of perjury, that I am Vice President and General Counsel – North America of Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc., (ASellers@); that I am authorized to make this verification on behalf of Sellers; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this 21st day of March, 2005.

Michael J. Shortley, III
Michael J. Shortley, III
Vice President and General Counsel –
North America
Global Crossing Telecommunications, Inc.,
Global Crossing Local Services, Inc.
and Global Crossing Telemanagement, Inc.

Sworn to and subscribed before me this 21st day of March, 2005.

Jeanne Chabot
Notary Public

My Commission expires:

December 20, 2005

JEANNE CHABOT
Notary Public, State of New York
No. 01CH6034835
Qualified in Ontario County
Commission Expires December 20, 2005

ATTACHMENT A

**MATRIX'S CERTIFICATE OF GOOD STANDING – SOUTH CAROLINA
(ATTACHED)**

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Authorization

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

MATRIX TELECOM, INC.,

a corporation duly organized under the laws of the state of **TEXAS** and issued a certificate of authority to transact business in South Carolina on **August 26th, 1994**, has on the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that its authority to transact business in South Carolina is subject to being revoked pursuant to Section 33-15-310 of the 1976 South Carolina Code, and no application for surrender of authority to do business in South Carolina has been filed in this office as of the date hereof.

Given under my Hand and the Great
Seal of the State of South Carolina this
23rd day of February, 2005.

A handwritten signature in cursive script that reads "Mark Hammond".
Mark Hammond, Secretary of State

ATTACHMENT B
SUBSCRIBER NOTIFICATION



DATE, 2005

Dear Customer:

Global Crossing Telecommunications, Inc. and its affiliated companies ("Global Crossing") currently provide your local and/or long distance service. Matrix Telecom, Inc. ("Matrix") has agreed to acquire some of the assets of Global Crossing and will shortly begin providing local and/or long distance services to Global Crossing customers currently being served by the Global Crossing Small Business Group. This transfer will not affect your rates or the terms and conditions of your service.

Subject to obtaining state and federal regulatory approvals, we anticipate that the transition will occur in the near future, but not before May 15, 2005. Unless you have begun using a service provider other than Global Crossing prior to this date, Matrix will transition your current local and/or long distance service to Matrix. If Global Crossing is not your local service provider, the change to Matrix will not impact your local carrier selection.

The rates you currently pay for long distance, as well as your terms and conditions of service, will remain unchanged. If, in the future, there are any changes to your rates or the terms and conditions of your service, you will be notified of them by mail.

Except in the event of the existence of a contract for your telecommunications service, you have the right to subscribe to local and long distance service from any service provider you wish. This decision is entirely up to you, and you may choose to switch to another carrier either before or after this change occurs. Matrix values your continued business and will gladly respond to any questions or complaints you may have about your service either prior to or during the change. Because of this change, a carrier change charge may appear on your bill. However, Matrix will be happy to credit any such charges that appear on your bill due to the change to Matrix. However, selecting a carrier other than Matrix may result in a charge being imposed for which Matrix will not be responsible.

If you are a long distance customer only, and you have arranged a preferred carrier freeze through your local carrier on the service(s) involved in this transfer, the freeze will be removed in order to transition your service to Matrix. After the transfer, you must contact your local carrier if you want to re-establish a preferred carrier freeze.

Until the actual transfer date, Global Crossing will continue to be responsible for all customer service and billing issues. You should contact Global Crossing with any complaints or other customer services inquiries you may have prior to the transfer. After the transfer date, you should refer your questions to Matrix.

If you have any questions regarding this notice, please contact Matrix toll-free at (888) 829-6926 or your Global Crossing representative.

Sincerely,
Matrix Telecom, Inc.
Global Crossing Telecommunications, Inc.